

Message Text

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ACTION EA-07

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-03 FRB-01

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-01 OPIC-02 SP-02

CIEP-01 LAB-01 SIL-01 OMB-01 NSC-07 SS-14 STR-01

CEA-01 PRS-01 DRC-01 /062 W
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R 110837Z OCT 74

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 3185

INFO AMCONSUL HONG KONG

UNCLAS TAIPEI 6276

HONG KONG FOR TREASURY REP

E.O. 11652: N/A

TAGS: IFIN, ETRD, TW

SUBJECT: ROC TRADE DEFICIT REACHES US\$1 BILLION

REF : TAIPEI 6015

1. ON CUSTOMS BASIS ROC TRADE DEFICIT TOTALLED
US\$1,018 MILLION IN FIRST NINE MONTHS OF '74 REACHING
THIS LEVEL AS A RESULT OF HIGHEST MONTHLY TRADE
DEFICIT THIS YEAR IN SEPTEMBER OF US\$270 MILLION.
HIGH MONTHLY DEFICIT RESULTED FROM THIRD HIGHEST
MONTHLY IMPORTS WHICH WERE VALUED AT US\$687 MILLION.
AT SAME TIME EXPORTS WERE LOWEST FOR YEAR AT US\$417
MILLION. PARTIAL EXPLANATION FOR LOW LEVEL OF EXPORTS
DURING MONTH WAS EXISTENCE OF RUMORS THAT NT DOLLAR
MIGHT BE DEVALUED CAUSING EXPORTERS TO WITHHOLD SHIPMENTS.
ALSO ROC TRADE DEFICIT WITH JAPAN INCREASED BY US\$197
MILLION IN ONE MONTH.
LEAVING DEFICIT FOR YEAR OF US\$1,052 MILLION.

2. GROC OFFICIALS, HOWEVER, STILL EXPECT TRADE
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SITUATION TO IMPROVE IN OCTOBER AND BALANCE OF YEAR

BECAUSE OF FAVORABLE BALANCE OF PAYMENTS FIGURES
ON EXCHANGE SETTLEMENT BASIS REPORTED REFTEL.

3. COMMENT: ROC MAY BE ABLE RECOUP SOME OF TRADE
DEFICIT DURING REMAINDER OF YEAR BUT IT APPEARS
THERE WILL REMAIN VERY SUBSTANTIAL DEFICIT ON CUSTOMS
BASIS FOR YEAR AS A WHOLE PERHAPS EXCEEDING US\$800
MILLION.

4. MORE DETAILS WILL BE PROVIDED IN EMBASSY'S
FORTHCOMING ECONOMIC NOTES.
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Message Attributes

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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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